



DFAS-HQ/FMM

DEFENSE FINANCE AND ACCOUNTING SERVICE

1931 JEFFERSON DAVIS HIGHWAY
ARLINGTON, VA 22240-5291

OCT 8 1996

MEMORANDUM FOR DIRECTOR DEFENSE FINANCE AND ACCOUNTING SERVICE
- CLEVELAND CENTER
DIRECTOR DEFENSE FINANCE AND ACCOUNTING SERVICE
- DENVER CENTER
DIRECTOR DEFENSE FINANCE AND ACCOUNTING SERVICE
- INDIANAPOLIS CENTER
DIRECTOR DEFENSE FINANCE AND ACCOUNTING SERVICE
- KANSAS CITY CENTER

Subject: Change to the Department of Defense Financial
Management Regulation (DoDFMR), Volume 7A, on Ready
Reserve Mobilization Income Insurance Program (RRMIIP),
(DFAS Item F-54)

This is Interim Change Number 44-96 to the DoDFMR, Volume
7A. This change is effective September 30, 1996.

We have evaluated your comments on the draft change to the
DoDFMR, Volume 7A. The attached final version of the change
includes your comments where appropriate. Assignment of an
interim change number is your authority to initiate a procedural
modification to facilitate this change.

We have determined that this change does not require an
immediate change to the current military pay systems. For the
Denver Center, use the attached to initiate the formal printed
change to the DoDFMR.

Our point of contact, Mr. Robert Bird, may be contacted at
DSN 332-5279 or Commercial (703) 602-5279. Our Fax number is
DSN 332-5271 or Commercial (703) 602-5271.

Roger W. Searce
Brigadier General, USA
Deputy Director for Finance

Attachment:
As stated

cc: ASD (FMP)
OSD (RA)

DGC (F)
DFAS-DE/DG
Service Liaisons
USCG/NOAA/PHS Liaisons
DJMS-PM

1. Add the following new chapter to Part Four, Miscellaneous Payments: (The numbering system for this new chapter corresponds with the numbering system in the JULY 1996 edition of the DoDFMR Volume 7A. There is no corresponding Chapter in the December 1994 edition.)

"CHAPTER 54A

READY RESERVE MOBILIZATION INCOME INSURANCE PROGRAM

54A01. GENERAL PROVISIONS

54A0101. Definitions

The following terms may vary from Definitions at the beginning of this manual and are applicable to this chapter only:

A. Active Duty (AD). Full-time with a Military Service including full-time duty with the National Guard.

B. Active Duty for Training (ADT). Full-time duty for training purposes with a Reserve component or the Reserve Officers Training Corps.

C. Beneficiary/Designated Recipient. The person or agent that the insured member designates in writing to receive benefit payments. A spouse, child, parent, heir or other person with an insurable interest (i.e., business partner, friend, etc.) may be designated. In addition, a member may direct that payments of insurance benefits be deposited with a bank or other financial institution to the credit of the designated person. If no such designation has been made, and the member is deceased, upon establishment of a valid claim the amount shall be payable in accordance with the laws of the State of the member's domicile.

D. Covered Service. The term means AD performed by a member of a Reserve component under an order to AD for a period of more than 30 days. The order must specify that the member's service:

1. Is in support of an operational mission for which members of the Reserve components have been ordered to AD without their consent; or,

2. Is in support of forces activated during a period of war or national emergency declared by the President or Congress.

E. Insured Member. The term means a member of the Ready Reserve who is enrolled for coverage under the insurance program in accordance with 10 U.S.C. 12524.

F. Ready Reserve. Consists of the Selected Reserve, the Individual Ready Reserve, and the Inactive National Guard.

54A0102. Entitlement

A. An insured member (defined in paragraph 54A0101E) ordered into covered service (as defined in paragraph 54A0101D) is entitled to payment of a benefit for each month (and fraction thereof) after a 30-day period of covered service. The active duty order must specify that the member's service is covered service as defined in paragraph 54A0101D.

B. No member may be paid a benefit for more than 12 months during any period of 18 consecutive months.

C. Proof of loss of income or expenses incurred as a result of covered service is not required.

D. If, at any time, assets of the RRMIIIP Fund are insufficient to pay the benefits, the Secretary of Defense shall request the President to submit to the Congress a request for a special appropriation to cover the insufficiency. If such appropriation is not made, the Secretary of Defense shall reduce the amount of benefits paid to a total amount that does not exceed the assets of the Fund by the end of the fiscal year. Benefits that cannot be paid because of such a reduction shall be deferred and may be paid only after and to the extent that additional funds become available.

54A0103. Amount of Benefits

A. The amount of a member's monthly benefit under an automatic enrollment shall be the basic benefit amount of \$1,000 per month as adjusted annually to offset the effect of inflation and to maintain the constant dollar value of the benefit.

B. A member automatically enrolled or a member who is offered the opportunity to enroll may make an election within 60 days of the first day of the first full month after such automatic enrollment or of the member being offered the opportunity to enroll. Members may elect:

1. a reduced coverage amount equal to one-half the amount of the basic benefit amount.

2. an enhanced benefit in the amount of \$1,500, \$2,000, \$2,500, \$3,000, \$3,500, \$4,000, \$4,500, or \$5,000 per month as adjusted annually to offset the effect of inflation.

3. to decline enrollment.

C. Members who are enrolled or who are offered coverage may, at any time after their initial election, make an election to reduce coverage to a lesser amount in \$500 increments or cancel enrollment. They may not elect to increase coverage.

D. An election to decline insurance may not be revoked. EXCEPTION: A member of the Ready Reserve, who is ineligible to enroll because the member is serving on active duty (or full-time National Guard duty) when the program of insurance is first offered, is eligible to enroll when released from active duty unless the member has previously declined coverage while a member of the Selected Reserve Force. A member of the Individual Ready

Reserve who becomes a member of the Selected Reserve shall not be denied eligibility to purchase insurance upon becoming a member of the Selected Reserve unless the member previously declined to enroll while a member of the Selected Reserve. Also, a declination of insurance may be revoked when a member is discharged from the Ready Reserve or transfers to another Military Service. After being separated from the Military Service, an individual who rejoins the Ready Reserve is automatically enrolled in the insurance program (see paragraph 54A0104A).

E. Partial Months. The amount of insurance payable to an insured member for a period of covered service less than one month is 1/30th of the monthly benefit amount multiplied by the number of days served.

F. Adjustments. Benefit amounts shall be adjusted on an annual basis to offset the effect of inflation and maintain the constant dollar value of the benefit amounts. If the amount of a benefit adjustment is not evenly divisible by \$10, the amount shall be rounded to the nearest multiple of \$10. Except that an amount evenly divisible by \$5 (but not by \$10) shall be rounded to the next lower amount that is evenly divisible by \$10.

54A0104. Enrollment

A. On or after 1 October 1996, and upon first becoming a member of the Ready Reserve, a member is automatically enrolled for the basic benefit amount of \$1,000 per month or an amount as adjusted under subparagraph 54A0103F.

B. Members of the Ready Reserve, as of 30 September 1996, other than members ineligible under paragraph 54A0104E, shall be offered an opportunity to enroll for coverage under the insurance program.

C. A member under paragraph 54A0104A, who fails to complete the enrollment process within 60 days after being automatically enrolled or a member under paragraph 54A0104B, who fails to complete the enrollment process within 60 days after being offered the opportunity to enroll, shall be considered as having declined to be insured under the insurance program.

D. A member of the Ready Reserve, ineligible to enroll under paragraph 54A0104E, shall be afforded an opportunity to enroll in accordance with paragraphs 54A0104B and C, upon being released from active duty, if the member has not previously declined to be insured under paragraphs 54A0104A and B.

E. Members Ineligible to Enroll. Members of the Ready Reserve serving on full-time active duty in a Military Service, including full-time National Guard duty, are ineligible to enroll. Such duty includes full-time training duty, annual training duty, and attendance, while in the active military service, at a school designated as a service school by law or by

the Secretary of the Military Department concerned. Also ineligible to enroll are members of the Ready Reserve who are not subject to mobilization or those who are non-deployable in accordance with DoDI 1235.12. The Secretary of Defense may define any additional category of members of the Ready Reserve to be included or excluded from eligibility to purchase insurance under this program.

54A0105. Deductions (RRMIIP Premiums)

A. Premium rates prescribed will be subject to change by the Secretary of Defense to reflect program administrative costs, program experience, or any other change in actuarial assumptions.

B. Premiums will be collected in accordance with procedures specified by the Secretary of Defense.

C. All premium payments must be paid in advance of the period for which the member is to be insured.

D. Premium liability for a member who is automatically insured is incurred on the first day of the month after the first full month of automatic coverage. For example: A member entering the Service during the month of April (1-30 day) will have premium liability beginning on June 1.

E. The Military Service concerned shall advance to any member who is "automatically" insured an amount equal to the first monthly insurance premium payment. The advance premium payment may be paid out of appropriations for military pay. Such advance payment shall be reimbursed by the member if the member elects coverage under the program.

F. A member who is automatically insured and who opts to decline the insurance coverage or who fails to complete the enrollment process at any time during the 60-day enrollment period, shall incur no liability for premium payment for any part of the 60-day period. The Military Service which has made an advance payment of premium on behalf of said member will incur no liability for the unearned premium payments and shall be allowed to recover such advance payment through an accounting adjustment.

G. Premium amounts collected shall be paid directly to and shall be credited monthly to the Fund not later than 10 working days after the end-of-month payday for the month.

H. A member under 54A0104A who is called to active duty for covered service, and who commences active duty prior to completing the enrollment process is insured for the basic benefit amount of \$1,000.

54A0106. Termination, Forfeiture, Reinstatement

A. **Termination.** The coverage of a member under the insurance program shall be terminated without prior notice upon failure of a member to make the required payment of premiums for two consecutive months.

B. **Forfeiture.** A member convicted of mutiny, treason, spying, or desertion, or who refuses to perform service in the Armed Forces, or refuses to wear the uniform of any Armed Force, forfeits all rights to insurance in accordance with 10 U.S.C. Section 12532.

C. **Reinstatement.** When the Military Service determines that a member's insurance coverage has been revoked due to an administrative error deemed to be no fault of the member, the member's insurance may be reinstated when all premiums from the date of revocation are paid by the member."

2. Add the following to the Bibliography:

"Paragraph

Citation

54A0102

10 U.S.C. Chapter 1214 as
added
DoDI 1341.10, July 5, 1996

54A0103D

10 U.S.C Section 12524